

# Texas Water Development Board

P.O. Box 13231, 1700 N. Congress Ave.  
Austin, TX 78711-3231, [www.twdb.texas.gov](http://www.twdb.texas.gov)  
Phone (512) 463-7847, Fax (512) 475-2053

**TO:** Board Members

**THROUGH:** Jeff Walker, Executive Administrator  
Robert E. Mace, Ph.D., P.G., Deputy Executive Administrator,  
Water Science & Conservation  
Todd Chenoweth, Interim General Counsel  
Rebecca Trevino, Chief Financial Officer

**FROM:** Cameron Turner, Manager, Agricultural Water Conservation

**DATE:** November 3, 2016

**SUBJECT:** Request for Applications for Fiscal Year 2017 Agricultural Water Conservation Grants

## **ACTION REQUESTED**

Consider authorizing the Executive Administrator to publish a request for applications in the *Texas Register* for Fiscal Year 2017 agricultural water conservation grants for a total amount not to exceed \$600,000 from the Agricultural Water Conservation Fund.

## **BACKGROUND**

The Agricultural Water Conservation Program funds water conservation programs and projects throughout the state. Examples of projects funded in previous years include demonstrations, educational activities, purchase and installation of water use monitoring equipment, and irrigation efficiency improvements. Benefits provided through this program include promoting agricultural water conservation throughout the state and supporting implementation of the irrigation conservation water management strategies identified in the state and regional water plans. Each project funded through the program must report on improvements in water use efficiency or water savings.

The Agricultural Water Conservation Fund provides funding for both grant and loan projects. During fiscal years 2014 through 2016, the TWDB provided 32 funding commitments through the program in the form of three low-interest loans worth over \$4.6 million and 29 grant projects worth over \$8.3 million. This total includes the \$600,000 offered annually through the Agricultural Water Conservation Grants Program, as well as additional appropriations relating to the program. Senate Bill 1, passed during the 83rd regular legislative session, included two riders pertaining to the TWDB Agricultural Water

### **Our Mission**

To provide leadership, information, education, and support for planning, financial assistance, and outreach for the conservation and responsible development of water for Texas

### **Board Members**

Bech Bruun, Chairman | Kathleen Jackson, Board Member | Peter Lake, Board Member  
Jeff Walker, Executive Administrator

Conservation Grants Program. Rider 22 appropriated \$3.6 million in grant funding from the Agricultural Water Conservation Fund to the Texas Alliance for Water Conservation, an agricultural water conservation demonstration project in the Texas High Plains. Rider 25 appropriated \$3 million in General Revenue to be transferred into the Agricultural Water Conservation Fund for the purpose of providing agricultural water conservation monitoring grants to groundwater conservation districts with rules requiring metering.

### **KEY ISSUES**

Current projections indicate adequate funding to continue the annual Agricultural Water Conservation Grants Program through 2034, in addition to the ability to provide approximately \$1 million every other year through the Agricultural Water Conservation Loan Program (Attachment A).

The Agricultural Water Conservation Grants Program offers grant funding through a competitive process at least once a year to state agencies and political subdivisions for agricultural water conservation programs and projects. Grant topics vary from year to year to address current issues in agricultural water conservation. The proposed categories for consideration in Fiscal Year 2017 are as follows:

#### **1. Water use monitoring equipment**

Funding is available in this category for the purchase of equipment designed to monitor irrigation water use. Projects must include the installation of equipment to support the implementation of irrigation conservation water management strategies identified in the most recent applicable regional water plan. Funding recipients must submit annual reports with crop type, acres irrigated, irrigation water use data, and an estimate of water savings for a period of five years following installation of the equipment.

#### **2. Demonstration and technology transfer**

Funding is available in this category for projects involving demonstration of agricultural water conservation best management practices. Activities included in each project must consist of field days and technology transfer to support the implementation of irrigation conservation water management strategies identified in the most recent applicable regional water plan. Funding recipients must provide quarterly progress reports and a comprehensive final report upon project completion.

#### **3. Study of irrigation efficiency in Texas**

Funding is available in this category for a statewide study of agricultural irrigation efficiency in Texas that will include (1) a county-level assessment of irrigation systems and application efficiencies, (2) a census of the advanced technologies and practices currently utilized across the state both on-farm and in-district, (3) a regional assessment of local funding and participation in existing programs, and (4) identification of programs and funding mechanisms to better facilitate widespread

adoption of irrigation conservation strategies identified in the state and regional water plans. The scope of the project should include coordination with local, state, and federal partners to incorporate existing datasets into the analysis. Additional details and the exact scope of the study will be negotiated with the selected applicant(s). Funding recipients must report progress on a quarterly basis and provide a draft and final report upon completion of the project.

Upon Board approval, the Executive Administrator will publish a request for applications in the *Texas Register* for Fiscal Year 2017 Agricultural Water Conservation Grants not to exceed \$600,000 from the Agricultural Water Conservation Fund. Grant funding allocations per category and project are subject to future determination upon Board approval of funding for recommended projects.

The request for applications will include a statement that the TWDB reserves the right to reject parts of, any, or all applications if staff determines that the application(s) does not adequately meet the required criteria or if the funding available is less than the requested funding. Staff will review and rank applications received by the deadline according to rules contained in 31 Texas Administrative Code Chapter 367, criteria and prioritization set forth in the request for applications (Attachment B), and application instructions (Attachment C).

Priority consideration may be given to multi-year projects that promote the adoption of best management practices and water saving innovations, have higher levels of local match, and include educational components directed at agricultural producers.

### **RECOMMENDATION**

The Executive Administrator recommends Board approval to publish a request for applications in the *Texas Register* for Fiscal Year 2017 agricultural water conservation grants for a total amount not to exceed \$600,000 from the Agricultural Water Conservation Fund.

Attachment(s):

Attachment A: Agricultural Water Conservation Fund Projected Balance  
Attachment B: Request for Applications  
Attachment C: Application Instructions

## Attachment A

### Agricultural Water Conservation Fund Projected Balance<sup>1</sup>

Fiscal year	Fund balance	Investment projections	Loan repayments	Existing encumbrances <sup>2</sup>	Projected loans originated	Annual grants	Fund balance
2017	\$ 9,415,914	\$ 37,036	\$ 1,410,833	\$ 6,109,825	\$ 1,000,000	\$ 600,000	\$ 3,153,958
2018	\$ 3,153,958	\$ 15,770	\$ 1,455,289	\$ -	\$ -	\$ 600,000	\$ 4,025,017
2019	\$ 4,025,017	\$ 20,125	\$ 1,467,376	\$ -	\$ 1,000,000	\$ 600,000	\$ 3,912,518
2020	\$ 3,912,518	\$ 19,563	\$ 1,165,074	\$ -	\$ -	\$ 600,000	\$ 4,497,154
2021	\$ 4,497,154	\$ 22,486	\$ 1,047,179	\$ -	\$ 1,000,000	\$ 600,000	\$ 3,966,819
2022	\$ 3,966,819	\$ 19,834	\$ 1,187,997	\$ -	\$ -	\$ 600,000	\$ 4,574,650
2023	\$ 4,574,650	\$ 22,873	\$ 690,429	\$ -	\$ 1,000,000	\$ 600,000	\$ 3,687,952
2024	\$ 3,687,952	\$ 18,440	\$ 830,080	\$ -	\$ -	\$ 600,000	\$ 3,936,471
2025	\$ 3,936,471	\$ 19,682	\$ 444,730	\$ -	\$ 1,000,000	\$ 600,000	\$ 2,800,883
2026	\$ 2,800,883	\$ 14,004	\$ 580,680	\$ -	\$ -	\$ 600,000	\$ 2,795,567
2027	\$ 2,795,567	\$ 13,978	\$ 440,680	\$ -	\$ 1,000,000	\$ 600,000	\$ 1,650,224
2028	\$ 1,650,224	\$ 8,251	\$ 580,680	\$ -	\$ -	\$ 600,000	\$ 1,639,155
2029	\$ 1,639,155	\$ 8,196	\$ 438,030	\$ -	\$ -	\$ 600,000	\$ 1,485,380
2030	\$ 1,485,380	\$ 7,427	\$ 435,751	\$ -	\$ -	\$ 600,000	\$ 1,328,558
2031	\$ 1,328,558	\$ 6,643	\$ 293,843	\$ -	\$ -	\$ 600,000	\$ 1,029,043
2032	\$ 1,029,043	\$ 5,145	\$ 292,306	\$ -	\$ -	\$ 600,000	\$ 726,494
2033	\$ 726,494	\$ 3,632	\$ 146,153	\$ -	\$ -	\$ 600,000	\$ 276,279
2034	\$ 276,279	\$ 1,381	\$ 145,384	\$ -	\$ -	\$ 423,045	\$ -

<sup>1</sup> These projections assume other sources of funding for staff salaries and administrative costs associated with the program. The addition of administrative costs would provide added limitations on the ability to offer both low-interest loans and grant funding; and would further shorten the life of the program.

<sup>2</sup> Existing encumbrances represents the total outstanding balance of all currently active agricultural water conservation grant projects. TWDB distributes these funds on a reimbursement basis over the life of the project (typically 3 to 5 years).

## **Attachment B**

### **Request for Applications for Fiscal Year 2017 Agricultural Water Conservation Grants**

The Texas Water Development Board (TWDB) solicits a request for applications for Fiscal Year 2017 Agricultural Water Conservation Grants. The total amount of the grants to be awarded under this request for applications by the TWDB shall not exceed \$600,000 from the Agricultural Water Conservation Fund. The rules governing the Agricultural Water Conservation Fund (31 Texas Administrative Code, Chapter 367) and application instructions are available upon request from the TWDB.

#### **Summary of the Request for Applications**

Solicitation Date (Opening): Date published in the *Texas Register*

Due Date (Closing): 12:00 p.m., Wednesday, February 15, 2017

Anticipated Award Date: May 2017

Estimated Total Funding: up to \$600,000 total

Eligible Grant Amount: up to \$200,000 per project, subject to Board approval

Eligible applicants: state agencies and political subdivisions (as defined by 31 Texas Administrative Code, Chapter 367)

Contact: Cameron Turner, Agricultural Water Conservation, Texas Water Development Board, P.O. Box 13231, Austin, Texas 78711-3231, Phone: (512) 936-6090, E-mail: [cameron.turner@twdb.texas.gov](mailto:cameron.turner@twdb.texas.gov)

#### **Agricultural Water Conservation Grant Categories**

Applications must be consistent with the format provided in the Agricultural Water Conservation Grant Application Instructions document. Please contact the TWDB if you intend to apply. Applications must be in response to the following grant categories.

##### **1. Water use monitoring equipment**

Funding is available in this category for the purchase of equipment designed to monitor irrigation water use. Projects must include the installation of equipment to support the implementation of irrigation conservation water management strategies identified in the most recent applicable regional water plan. Funding recipients must submit annual reports with crop type, acres irrigated, irrigation water use data, and an estimate of water savings for a period of five years following installation of the equipment.

## **Attachment B**

### **2. Demonstration and technology transfer**

Funding is available in this category for projects involving demonstration of agricultural water conservation best management practices. Activities included in each project must consist of field days and technology transfer to support the implementation of irrigation conservation water management strategies identified in the most recent applicable regional water plan. Funding recipients must provide quarterly progress reports and a comprehensive final report upon project completion.

### **3. Study of irrigation efficiency in Texas**

Funding is available in this category for a statewide study of agricultural irrigation efficiency in Texas that will include (1) a county-level assessment of irrigation systems and application efficiencies, (2) a census of the advanced technologies and practices currently utilized across the state both on-farm and in-district, (3) a regional assessment of local funding and participation in existing programs, and (4) identification of programs and funding mechanisms to better facilitate widespread adoption of irrigation conservation strategies identified in the state and regional water plans. The scope of the project should include coordination with local, state, and federal partners to incorporate existing datasets into the analysis. Additional details and the exact scope of the study will be negotiated with the selected applicant(s). Funding recipients must report progress on a quarterly basis and provide a draft and final report upon completion of the project.

### **Grant Amount**

The TWDB is authorized to provide up to \$600,000 for Fiscal Year 2017 agricultural water conservation grants from the Agricultural Water Conservation Fund. The TWDB awards these funds through a statewide competitive grants process. The TWDB evaluates all proposals based upon the specific criteria set forth in this solicitation and application instructions. Unless otherwise specified in the individual grant category, eligible expenses typically include the cost of the capital equipment, materials, labor, preparation, installation, or administration directly associated with implementing and completing a conservation program or project. Overhead or indirect costs are not allowed as an eligible expense for reimbursement through the TWDB agricultural water conservation grants.

### **Application Criteria and Selection Process**

Prior to technical review, each application will be screened for completeness and compliance with the provisions of this notice. Incomplete applications and those that do not meet the provisions of this notice may be eliminated from competition. Applications

## **Attachment B**

meeting the provisions of this notice will be scored by a technical review panel. 31 TAC Sections 367.8 and 367.9 require that in reviewing an application for an agricultural water conservation grant, the TWDB shall consider the following administrative and technical criteria: commitment of the applicant to agricultural water conservation; benefits that will be gained by making the grant; degree to which the applicant has used other available resources to finance the use for which the application is being made; and the willingness and ability of the applicant to raise revenue and provide matching funds. Prior to approving a grant, the TWDB must find that the grant funds will: supplement rather than replace money of the applicant, and serve the public interest. The TWDB shall include a finding that the grant will assist in the implementation of a water conservation water management strategy identified in the most recent applicable approved regional water plan or state water plan, and further water conservation in the state.

The technical review panel will evaluate the applications using the following criteria: sound and practical approach for implementing project as per the Request for Applications guidelines; application has clear identified tasks, products, and reporting timelines; project staff has the technical expertise needed to carry out the project; and proposed costs estimate (budget) is reasonable and adequately justified. Priority consideration may be given to multi-year projects that promote the adoption of best management practices and water saving innovations; have higher levels of local match; and, include educational components directed at agricultural producers. All applicants must establish a metric for measuring and reporting water savings or improvements in water use efficiency as a direct result of project funding.

### **Funding and Partial Funding Provisions**

The TWDB reserves the right to reject all proposals and make no awards under this announcement. In addition, the TWDB reserves the right to partially fund proposals by funding discrete activities, portions, or phases of a proposed project. TWDB also reserves the right to award funding in an amount greater than the stated limit per project. If the TWDB decides to partially fund a proposal, it will do so in a manner that does not prejudice any applicants or affect the basis upon which the proposal, or portion thereof, was evaluated or selected for award, and that maintains the integrity of the competition and the evaluation/selection process. The TWDB reserves the right to reject parts of, any, or all applications if staff determines that the application(s) does not adequately meet the required criteria or if the funding available is less than the requested funding. The TWDB retains the right to not award contract funds.

### **Negotiations with Selected Applicants**

The applicable scope of work, deliverables, tasks timelines, and contract amount will be negotiated after the TWDB selects the most qualified applicants. Failure to arrive at

## **Attachment B**

mutually agreeable terms of a contract with the most qualified applicant shall constitute a rejection of the Board's offer and may result in subsequent negotiations with the next most qualified applicant.

### **Deadline for Submission of Applications**

Applicants must submit six double-sided, double-spaced paper copies and one digital copy of completed applications to the TWDB on or before 12:00 p.m. on Wednesday, February 15, 2017. Applications can be directed either in person to David Carter, Texas Water Development Board, Stephen F. Austin Building, Room 610D, 1700 North Congress Avenue, Austin, Texas, 78701; or by mail to David Carter, Texas Water Development Board, P.O. Box 13231 – Capitol Station, Austin, Texas 78711-3231.

Application instructions are available upon request from Cameron Turner, (512) 936-6090, [cameron.turner@twdb.texas.gov](mailto:cameron.turner@twdb.texas.gov), or online at <http://www.twdb.texas.gov>.



## Attachment C

### Application Instructions for Fiscal Year 2017 Agricultural Water Conservation Grants

The Texas Water Development Board's Agricultural Water Conservation Fund offers grants to state agencies and political subdivisions of the State of Texas for agricultural water conservation projects or programs that address the topics published in the recent Request for Applications in the *Texas Register*.

**When to apply:** The Texas Water Development Board publishes a Request for Applications in the *Texas Register* at least once each fiscal year. Any state agency(s) or political subdivision(s) interested in applying for an agricultural water conservation grant may contact the Contract Administration Division to be included on a mailing list that provides notification that a request has been published. Unsolicited applications can be filed at any time but will only be considered for funding if there is urgency for the activity to be done and is also dependent upon the availability of funds.

**Who may apply:** Eligible applicants include state agencies and political subdivisions (as defined by 31 Texas Administrative Code, Chapter 367).

**Application submittal:** Applicants must submit six double-sided, double-spaced paper copies and one digital copy of a complete application to the following address on or before 12:00 p.m. on Wednesday, February 15, 2017:

David Carter  
Texas Water Development Board  
Contract Administration  
P. O. Box 13231  
1700 N. Congress Ave.  
Austin, Texas 78711-3231

All applications must be complete and include general information, proposed project information, and written assurances, as outlined below. Refer to the Request for Applications for eligible activities, ranking criteria, and selection process. A list of required items has been provided in the following pages to assist in completing an application.

**If you intend to apply, please call Cameron Turner, Manager, Agricultural Water Conservation, at (512) 936-6090 or e-mail at [cameron.turner@twdb.texas.gov](mailto:cameron.turner@twdb.texas.gov).**

## **Attachment C**

### **Application Requirements**

Texas Administrative Code, Title 31, Part 10, Chapter 367, Section 367.5

Applications must address each of the following requirements, in this order:

#### **Section I. Administrative Requirements**

1. Official name and address of the applicant.
2. Constitutional and statutory authority creating the applicant and under which the applicant currently operates, and the Vendor ID number.
3. Names and addresses of the individual or individuals with the legal authority to perform the acts of the entity, and title of position.
4. An affidavit from the individual with the authority to act on behalf of the applicant, or a certified copy of a resolution adopted or minutes approved by the governing body with the authority to act on behalf of the applicant, which:
  - a. Identifies the amount that the applicant is requesting
  - b. Authorizes the submission of an application on behalf of the entity
  - c. Designates an authorized representative to submit the application and perform all reasonable and necessary action in support of the application and, if approved by the TWDB, to perform the terms and conditions of the award of money from the Fund.
5. Name, address, and title of the designated representative; also include phone number and email addresses.
6. Map and description of the geographic area in which the applicant is authorized to conduct such actions as are necessary for the proposed conservation program or project.
7. Description of the proposed program or project that includes:
  - a. The geographic area in which it will occur
  - b. Detailed timeline with projected completion date for each proposed task
8. Proposed budget for the program or project that identifies:
  - a. The total cost
  - b. The cost of each significant element of the program or project
  - c. Other sources of funds, if any.
9. The predicted water conservation and other benefits that will be created from the proposed program or project.
10. Conservation plan and program of work or other sufficient description of the applicant's commitment to water conservation.

## **Attachment C**

11. Identification of a water conservation water management strategy identified in the most recent applicable regional water plan or state water plan that will be implemented by the use of the grant.

### **Section II. Agricultural Water Conservation Program/Project Information**

12. Explanation of why this activity is needed.
13. A scope of work describing project work tasks with a time schedule for each.
14. A task and expense budget (see attached example).
15. A list of products (data, reports, plans, or other products) that the TWDB will receive as a result of this project.
16. A baseline estimate of water use prior to the program or project, estimated water savings to be realized by implementation of this program or project, and a description of monitoring procedures and methodology for calculating water savings.
17. Qualifications and experience of staff directly related to this application.
18. A description of the extent to which the project will include an educational component directed at project participants, agricultural producers, and/or the public.

### **Section III. Written Assurances**

Written assurance of the following items:

19. Written evidence that supplemental funding is available, if applicable.
20. Applications for irrigation meters must include justification for the number of meters requested.
21. Implementation of results identified through the application will be diligently pursued including:
  - a. Identification of and involvement of potential users and project participants.
  - b. Implementation of water conservation water management strategy(s) identified in the most recent applicable regional water plan or state water plan.
22. If the project involves construction activities, the application must include an engineering feasibility report and the required environmental assessment information, according to rules established by the Texas Administrative Code Chapter 367 Sections 367.6–367.7 and Section 367.12.

## Attachment C

### Section IV. Example Task and Expense Budgets

#### **TASK BUDGET**

<b>TASK</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
1	Purchase equipment	\$ 20,000.00
2	Install equipment	\$ 5,000.00
3	Monitor water use	\$ 15,000.00
4	Report results	\$ 10,000.00
<b>TOTAL</b>		<b>\$50,000.00</b>

#### **EXPENSE BUDGET**

<b>CATEGORY</b>	<b>LOCAL MATCH</b>	<b>TWDB AMOUNT</b>
Salaries & Wages <sup>1</sup>	\$ 10,000.00	\$ 10,000.00
Fringe <sup>2</sup>	\$ 1,000.00	\$ 1,000.00
Travel <sup>3</sup>	\$ 1,000.00	\$ 1,000.00
Other Expenses <sup>4</sup>	\$ 1,000.00	\$ 1,000.00
Equipment	\$ 10,000.00	\$ 10,000.00
Subcontract Services	\$ 2,000.00	\$ 2,000.00
<b>TOTAL</b>	<b>\$25,000.00</b>	<b>\$25,000.00</b>

<sup>1</sup> Salaries and Wages is defined as the cost of salaries of engineers, draftsmen, stenographers, surveyors, clerks, laborers, etc., for time directly chargeable to this contract.

<sup>2</sup> Fringe is defined as the cost of social security contributions, unemployment, excise, and payroll taxes, workers' compensation insurance, retirement benefits, medical and insurance benefits, sick leave, vacation, and holiday pay applicable thereto.

<sup>3</sup> Travel is limited to the maximum amounts authorized for state employees by the General Appropriations Act, Tex. Leg. Regular Session, 2011, Article IX, Part 5, as amended or superseded

<sup>4</sup> Other Expenses is defined to include expendable supplies, communications, reproduction, and, postage directly chargeable to this CONTRACT.

## **Attachment C**

### **Deadline and Submission of Application**

Six double-sided, double-spaced paper copies and one digital copy of a complete agricultural water conservation grant application, including the required attachments must be filed with the TWDB on or before 12:00 p.m. on Wednesday, February 15, 2017.

Applications can be delivered in person to:

David Carter  
Texas Water Development Board  
Room 610D, Stephen F. Austin Building  
1700 North Congress Avenue  
Austin, Texas 78701

Applications can also be mailed to:

David Carter  
Texas Water Development Board  
P.O. Box 13231 – Capitol Station  
Austin, Texas 78711-3231

Requests for technical information may be directed to:

Cameron Turner  
Agricultural Water Conservation  
Texas Water Development Board  
P.O. Box 13231  
Austin, Texas 78711-3231  
E-mail: [cameron.turner@twdb.texas.gov](mailto:cameron.turner@twdb.texas.gov)  
Phone: (512) 936-6090